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**IS A WORLD WIDE WEB HOME PAGE SITE SUCCESSFUL IN  
PRODUCING ROOM SALES IN HOTELS?**

by

Poonyathorn Bhenbhargkul

A project submitted to the  
Faculty of the School of Food, Hotel and Travel Management  
at  
Rochester Institute of Technology  
in partial fulfillment of the requirements  
for the degree  
of  
Master of Science

May 1998

**M.S. Hospitality-Tourism Management**  
**Presentation of Thesis/Project Findings**

cc: Departmental Student Record File Original  
Student

# **IS A WORLD WIDE WEB HOME PAGE SITE SUCCESSFUL IN PRODUCING ROOM SALES IN HOTELS?**

by

Poonyathorn Bhenbhargkul

## **ABSTRACT**

Several hotels have launched the on-line reservation services with free of charge on their Web sites. The service on the Internet through the Web was based on the concept that the customers seemed to be able to contact directly to a hotel and thus able to obtain updated information, including its availability.

The purpose of this project was to evaluate and analyze the on-line services that hotel provided for its customers on the Internet through the World Wide Web home page site in terms of accomplishment. The questionnaires were mailed to 200 hotels, which currently had active Web sites on the Internet as well as on-line reservation services. These hotels included both individual and chain hotels. Also, telephone interviews were made to nineteen corporate hotels. As the result, there were only six responses from mailed survey, and fourteen responses from telephone interview. The former rate of response was 3%, while the latter was 74%.

These data were then used to evaluate and analyze whether a World Wide Web home page site successful in producing room sales in hotels. The responses from six individual hotels and fourteen corporate hotels were analyzed separately due to a huge difference in their hotel property's size.

The results and analysis show that, firstly, the sizes of hotel property of individual hotels are very small in comparison with those of corporate hotels. Secondly, most corporate hotels' major market segments were business. While, for individual hotels, the

amount of hotel which their major market segments were business, were about the same amount as that of leisure-type hotels. In addition, the summary of analyzed data, which consist of number of rooms sold via Internet per year, maintenance cost per year of hotel's Web page, original development cost of hotel's Web page, and maintenance cost per room per year. And each issue is then discussed further in details. Also, a trend of publishing and maintaining Web sites on the Internet for both corporate and individual hotels are illustrated as well as a host computer server which hotel's Web page are kept. Then comparisons of average percentage of rooms sold via Internet and other methods are presented for both type of hotel and hotel's major market segment criteria. Moreover, the question of whether to keep, to revise, or to discontinue using the Web page was replied. The answer was all hoteliers including both corporate and individual hotels want to keep their Web sites on the Internet. They consider them one of the advertising tools, which would be helpful in producing room sales in aspect of customer service. Finally, the recommendations of using the Web site in hotel's business were proposed.

## **Acknowledgments**

I would like to thank Dr. Stockham for everything he had done for me throughout this project. It could not be completed without his patience, help, and suggestion.

I would like to thank my parents for supporting me. I would not be studying in the U.S. without their support.

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# **CHAPTER I**

## **INTRODUCTION**

### **Introduction & Background**

Today's use of the Internet increases very quickly, at a rate of thousands new computers per day. Every year, several million people spend their nights in hotels. Is it possible that these two facts can open up great opportunities to hotel businesses?

Basically, when you plan to take a vacation, you have to call a travel agency or look through travel magazines to obtain the information which hotel meet your requirement. Also, you have to let a travel agent book a hotel for you or you have to call that hotel directly to make a reservation. Is that the only way available? How could you know that these travel agencies or travel magazines give you a right or updated information? Would there be any other ways to find all the information about hotels and availability by yourself?

Today you could do it by being home on your comfortable chair in front of your computer. You could use your favorite Web browser and go to a hotel's Web site on the Internet, and find all the information about that hotel and availability as you need. Also, you could even make a reservation yourself. This is a new on-line service that some hotels provide on the Internet through their World Wide Web home page sites.

Though the concept of offering information and selling products and services on the Internet through the World Wide Web home page site might not be considered new for other industries, it is still quite new for travel and hotel industry. In 1995, hotel

created their World Wide Web home page sites that allowed customers to obtain all information in that hotel and availability checking as well as making reservation on a hotel's room.

This is a good alternative for travelers who used to be upset after realizing that the given information mismatched with reality. However, no one has been able to tell or confirm whether the Internet and World Wide Web home page site are useful for hotel business. Is the World Wide Web home page site successful in producing room sales in hotels? Or is there any tendency to increase hotel's sale?

This study aims to evaluate a degree of accomplishment of the World Wide Web home page site in hotel business.

## **Problem Statement**

Several hotels have launched their services on the Web. They declare that their providing services on-line enabling people to find all the information as well as make hotel reservations themselves. The service on the Internet through the Web was based on the concept that the customers seemed to be able to contact directly to a hotel and thus able to obtain updated information, including its availability. Hence, the customers could reserve their hotel's room immediately. This project studied how successful the World Wide Web home page site offer to the hotel's business. Was the World Wide Web home page site worth for hotel's business?

## **Statement of Purpose**

The purpose of this study was to evaluate and analyze the on-line travel services that hotel provided for its customers on the Internet in terms of accomplishment. These services included the process of giving hotel information, checking hotel's room availability, and making the reservation. This analysis might give guidance for hotels in their future strategic sale planning.

## **Significance of the Study**

Today several hotel service pages on the Internet enable public users to obtain updated hotel information, availability and to make room reservation on-line. If this process is identified to be successful; in other words, to be able to produce hotel's room sale. The hotels would have guideline to promote their hotels through on-line services on the Internet or spend more money on this on-line service.

## **Methodology & Procedures**

The population of this study consisted of 200 hotels, which currently had an active Web site on the Internet as well as on-line reservation service, around the US.. These hotels included both individual hotels and chain hotels. These 200 hotels were randomly selected from "All the hotels on the Web", <http://www.all-hotels.com>.



On January 30, 1998, questionnaires, which consisted of cover letter, questions, and return envelop, were sent to all of these selected hotels. One month later, the end of February, only six hoteliers responded. The response rate was extremely low. This response rate (3 percent) might have been greater except for these considerations:

The features of most questions were quite specific and numeric data required. Therefore, most hoteliers may have resisted spending resources on replying the survey.

- The survey posed a set of questions that may have appeared overwhelming to someone and hence the survey was ignored.
- Since the idea of establishing Web site or on-line reservation service most likely came from corporate headquarter, chain hoteliers would not be able to answer these questions.

Therefore, the target had been changed to corporate headquarter which we believed that they were the sources of the information. We used names of hotel chains as keywords with separated search engines: namely, Inforseek, Lycos, and Yahoo. About fifty corporate hotels names were obtained.

Then, the next step was to check whether all of these corporate hotels had on-line reservation with free of charge services provided. As the result, some budget-type corporate hotels had shown that although they had their active Web sites on the Internet, they did not offer on-line reservation services. They only had 1-800 numbers. Therefore, there were only nineteen corporate hotels that matched our requirements. Their names,

telephone numbers, and Web addresses are shown in appendix 5. It is worth noting that these phone numbers are not available in the Web site of most hotel chains. Because they are the numbers of corporate hotel offices or hotel chain's headquarters which do not deal directly with their customers.

Then, the following step was to make a phone call to each corporate hotel in order to ask for a person who took charge of the Internet and the Web site. We made a lot of efforts in order to reach the right person. Since our survey required a specific numeric information which they needed some time to prepare. They usually wanted us to call back later. We did it and received a response that they would not have time for a telephone interview. Therefore, faxing our survey to them was an alternative. It was interesting to know that departments that handled these stuffs had various names such as Department of Relationship Marketing, Department of Interactive Marketing, Department of Media Relation, and Department of Information Technology. Three weeks later, there was no response at all. Although some had shown some interest in our survey, they did not reply it anyway.

Therefore, after reconsideration, we then believed that, for our survey, telephone interview was the most effective way. Since if they had some questions, they could ask us on the phone at that time. This would help them be able to reply our surveys.

Via telephone interviewing, we finally got responses from fourteen corporate hotels. This time, the response rate (74 percent) was satisfactory.

In analysis, the responses from six individual hotels and fourteen corporate hotels were analyzed separately. Since it was impossible to compare due to a huge difference in their hotel property's sizes.

## **Hypothesis**

A reasonable expectation of this project was that using the on-line services that hotels provided on the Internet through their World Wide Web site to give information, to book hotel's room could increase hotel's room sale.

## **Definitions of Terms**

Distribution System: The channel that the product or service is distributed from the providers to the customers.

World Wide Web home page site: The top-level document relating to an individual or institution. This often has a URL consisting of just a host name, e.g. <http://www.rit.edu/>. All other pages on a server are usually accessible by following links from the home page.

Travel Agency: A group of people or organization that provide hotel information services from various hotels to customers.

Uniform Resource Locator ( URL ): A draft standard for specifying an object on the Internet, such as a file or newsgroup. URLs are used extensively on the World-Wide Web.

Web Browser: A piece of software that decodes the information at a Web site so users can view it completes with graphics and sound.

Search Engine: A remotely accessible program that allows Web browser does keyword searches for information on the Internet. There are several types of search engine; the search may cover titles of documents, URLs, headers, or full text.

## **Assumptions**

### Ideological

Since all data was obtained from the questionnaires, the data depended on the answerers' experiences. Mail to avoid personal bias, the questionnaires were mailed to brand-named hotels all over the US.. Also, special care was taken, and close attention was paid to reduce the possibility of research bias in the analysis process of this study.

### Procedural

Basically, 200 questionnaires were mailed to our targets, the probability of feedback was about 40% or less. It was necessary to assume that the returned questionnaires represented all the data and could be used for the analysis.

## **Scope and Limitations**

The scope of this project was to evaluate how successful are the services of obtaining hotel information, checking hotel availability and making reservation through the Internet provided by brand-named hotel in the US..

The limitation of this study was that all services provided on the Internet change continuously. Every second an old Web page could be taken out from the Net and a new one could be launched into the Net without any notice to the public. At the time of this study, there was still no efficient manageable tool to index all the Web sites on the Internet. Therefore, this study was an evaluation of only the on-line hotel services at the study time that could be found through major and popular search engines. The results of this study were valid for the current services available on the Web.

## **Long Range Consequences**

If the result of this study matches the hypothesis, further studies should be conducted to see whether the on-line services the hotels provide on the Internet through the World Wide Web home page site is convenient for public users.

## CHAPTER II

### LITERATURE REVIEW

#### *Internet and Business*

*“What hath God wrought?”* First words sent over the telegraph.

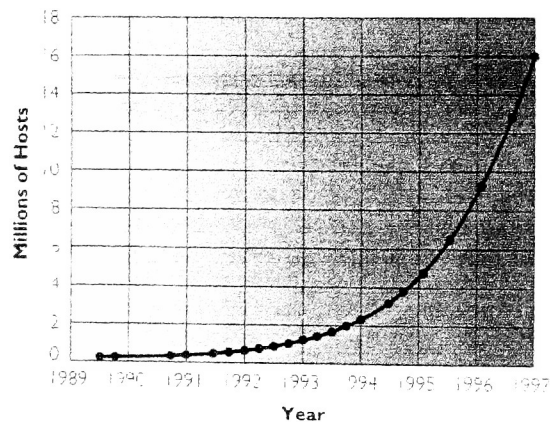
*“Watson, come here. I need you!”* First words spoken over the telephone.

*“Are you receiving this?”* First words sent through the Internet.

New technologies periodically cause major shifts in the way we do business. The telegraph, the telephone, and the fax machine have all left their marks on commerce. It is impossible to imagine doing business without any devices. Today, the Internet is considered the latest technology to change the way business is conducted. People are finding new ways to use the Internet everyday, and the majority are using it for business (Sterne, 1995).

The Internet is a new powerful communication medium which delivers information where and when it is needed and in a form chosen by user. For the consumer, this phase of technological progress will serve interests and desires closer to the customer’s heart due to its interactive potential (McKenna, 1997).

## *The Internet's unbelievable growth*



**Figure A: Internet Hosts, 1989-1997**

*Source: A. M. Rutkowski, General Magic, Inc., Network Wizards, January 1997.*

As long as the Internet continues to provide communications at a lower cost, more and more people will acquire Internet connectivity. As long as more people get on the Internet, the more it becomes entrenched in business and personal lives. The more the Internet is entrenched in our lives, the more sense it makes to use it as a marketing medium (Sterne, 1995).

It is known that the number of people on the Internet is growing so fast. Nicholas Negroponte of MIT's Media Lab has predicted that by the year 2000 there will be a billion people on the Internet.

## ***Introduction to the World Wide Web***

The Internet supports a variety of important tools, such as electronic mail, news groups, and file transfer. However, no single application has grabbed the attention of the marketplace so dramatically as the World Wide Web (WWW). The Web has done a great deal to promote the use of the Internet. Because its ability to transmit image, video, and sound has captured the imagination of the world. Experts anticipate that Web use soon is going to be as prevalent and widespread as telephone use. Instead of asking for a telephone number or e-mail address, people soon will begin to ask for a home page or Web address.

### ***What is the Web?***

The Web is a collection of distributed documents referred to as “pages” located on computers (or servers) all over the world.

To use the Web, in addition to an Internet connection, a user needs a special piece of software called a Web browser (such as Netscape Navigator). The browser acts as a graphical interface between the user and the Internet-it sends the necessary commands to request data from other computers and then formats them for the user’s screen.

The Web is a global information-sharing architecture that integrates manifold online content and information servers in a fast, cost effective, and easy-to-use manner. Visually, the Web is a graphical point-and-click user interface on the Internet (Kalakota and Whinston, 1997).



## ***The Web is interactive***

When prospects read a brochure, they receive information in a passive manner. It is often said that if they read something they are aware of it, if they see something they can understand it, if they do something they can master it. Use the tools to involve your viewer in the information you are providing.

The tools for building a Web site allow it to interact with the viewer. Make use of these tools. An electronic page of text can be read in a passive manner. Therefore, a Web site that can make the viewer think and make choices, decide and take action, participate and learn, will be more successful. It is worth noting that a Web site is not something people read, it is something they do. Hence, visiting a Web site is an activity. It will engage the prospect in the activity of learning about products and services. And the result will be longer participation (exposure to a message) and higher comprehension.

In addition, Web sites can contain forms to fill out, including long text blocks for long comments. In this way, they are like e-mail. A Web site can also contain areas where visitors can post comments to be read by all. In this way, they share attributes with newgroups.

## ***Using the World Wide Web for Marketing***

The World Wide Web is a pull medium, not a push medium. The Web offers information to people who might be willing to reach in and pull it out. As Kristin Zhivago clearly illustrated this difference:

*“If your delivery medium was water, broadcasting would be like using a big hose to spray a crowd of prospects, hoping some of them will enjoy getting wet. Narrowcasting, a term used by producer of specialized cable TV programs, is like using a smaller hose and only aiming it at people who have already expressed an interest in getting wet. Cybercasting (marketing on-line) is the act of creating a pond of water in cyberspace, telling people that you now have a pond, and inviting them to come for a swim. Prospects can visit your pond anytime they want, stay as long as they want, and dive in as deeply as they want. The extents to which they immerse themselves in your pond is determined completely by their own personal interest”*

*Source: Marketing Technology newsletter, February 1994.*

The better looking, easier to navigate, more entertaining, and more informative the Web site is, the more likely it is that prospect will want to come back-and even bring their friends.

## ***Using the Web for Public Relations***

As more and more companies set up Web sites, more and more journalists will visit for the latest news. Journalists will also find them useful for background information. The description of the company history, the presentation of the corporate

mission, the gallery of the senior executives, and the electronic links to other Web sites of interest can all contribute to any editorial mention. Therefore, it is helpful to provide them with the appropriate electronic components; text, images, sound, and video. The easier for editor to put together a story, the more often the company will appear in print (Sterne, 1996).

### ***Using the Web for Internal Communication***

The marketing task is not directed entirely outward. A great deal of time is spent communicating within the organization in order to make everybody understand product positioning or corporate vision. Just as the Web offers better communications to prospects and customers, it can offer better communications internally.

### ***The Web Expectation***

There was a time when the moment an announcement was made, a Web site was overwhelmed by the curious. If the new site was worthwhile, the number of visitors would grow for about two weeks. After the excitement was over, the visitors would drop to a precious few. They were customers, prospects and competitors keeping up with current events. The typical curve of the Web expectation is shown in figure 4.

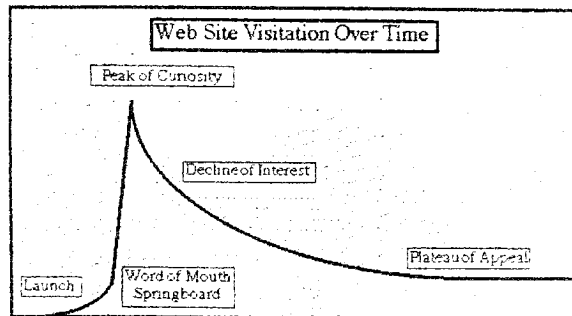


Figure B: the amount of attention your site draws will be huge, but fleeting.

Source: Sterne (1995). *World Wide Web Marketing*.

## ***Internet & Hotel Resources***

Traditional mass markets such as travel magazines, travel guides, business journals, billboard, radio, and television were defined and limited by time and space constraints and sometimes by editors and programmers stated Mr. Jeff Arcel of Applied Information Services, Co. at the 26<sup>th</sup> annual Travel and Tourism Administration (TRA) conference in Mexico. Compared with other traditional medias, the Internet is interactive, not bound by time or space, and is user defined. A modem and a computer are all the user need. Because of these advantages, the hospitality industry' people put their resources more and more on the Internet. Hence, there are many hotel-related sites on the Internet today.

Mr. Arcel also suggested several possible impacts of the World Wide Web home page site(web page) on the travel and hospitality industry in the near future as followings:

- decentralized distribution platform
- low barrier to entry
- ease of use and development
- a capability of presenting complex information on demand
- a possible integration with a variety of computer applications employed by travel suppliers.
- an ability to reach target consumers and businesses

Hotel Information which available on the Internet now are as followings:

- a daily update of hotel & resort news from around the world
- information of all hotel web site (both hotel chains and individuals) from around the world
- a gallery of outstanding hotel & resort photography
- an in-depth sightseeing tips, package deals
- maps for most countries or cities
- up-to-minute weather report
- a section that previews articles from upcoming issues of the magazine and forums where user can interact with hotelier writers and editors and each other
- hotel room information and reservation and special room rate
- hotel employment

## ***Development of using the Internet in hospitality industry***

The Internet will effect the way the hospitality industry operates in the future. Therefore it is necessary to know evolution of the Internet in this business (travel industry).

- 1995        - Finding hotel site on the Internet was a challenge (Travel Weekly, August 1996).
- Holiday Inn and Crowne Plaza launched their Web sites. Ann Glover, spokeswoman for Holiday Inn worldwide stated that their sites were logging 20,000 visitors a week. And this summer the corporate was planning to add content of interest to children and beginning to design individual mini-sites for each of its properties (Travel Weekly, August 1996).
- 1996        - As part of this evolution, hotel chains continue to improve and expand the way their Web pages can be utilized by the traveler. There are more aggressively marketing their on-line capabilities and adding new dimensions to their booking capabilities. On the other hand, they are working to create a more user-friendly environment for traveler booking rooms via the Internet.

Although the percentage of booking through the Internet of hotel chains was still very small, hoteliers are expecting this number to grow substantially by the start of the next century. They want to be ready to

meet the demands of these growing numbers (Hotel&Motel Management, September 1996).

- Radisson Hotels Worldwide launched its newest Web site on July 1, said Rachel Marret, Director of Interactive Marketing. Also, the company is promoting its site by including its Internet address in all advertising. Finally, she said “We want to give our customers an easy, convenient and economical way to book a Radisson hotel. On our Web site, our customers can see our best available rates. Next year, there were plans to add to the site more specific information on the properties and their locations.” (Hotel&Motel Management, September 1996).

Marriott International promoted its Web site through advertising, directories and the Honored Guest Awards frequent-quest program, said Bill Schallenberger, manager of Internet lodging services (Hotel&Motel Management, September 1996).

- Choice Hotels International was adding its site address to all print and television advertising, stated Sandy Heilman, Director of Reservations Automation. Also, Choice was looking to add enhancement to its site by offering a cancellation function. Moreover, the company was considering adding a function that will allow consumers to search a location by all brand-specific method. Finally, she said “We are responding to what our customers are saying and what they would like to see us offer.” (Hotel&Motel Management, September 1996).

- Hilton Hotel Corporation projected nearly \$1 million in revenue from on-line bookings by the end of the year, stated Bruce Rosenberg, Hilton's Vice President of Marketing Distribution. He also mentioned that the Web booking were coming in for both leisure and business travel, with "a fairly substantial" number of the booking coming in during normal business hours and most originating in the US. Finally, additional promotions would be offered to encourage use of the site in 1997 (Travel Weekly, October 1996).

- Best Western Hotel, Internet users provided more than \$3.5 million in room revenues. Its site generated more than three million hits, the most accessed lodging chain on TravelWeb, said Wayne Wielgus, Vice President of Worldwide Marketing and Sale. One feature that had contributed the Web site's success was instant confirmation which could reduced the cancellation rate for on-line reservation to only 10 percent (Lodging Hospitality, 1997).

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- Hotelier who did not learn to use the Internet would lose a marketing advantage suggested Robert Pittman, President and Chief Executive Officer of American Online at the Hospitality Sales and Marketing Association International Conference. He also mentioned that \$608 million in travel was booked via the Internet in 1996, which represented 25% of the commerce on the Web. In addition, survey had shown 50% of consumers were interested in using on-line services to book travel (Travel Weekly, March 1997).



However, Eric Blachford, Product Travel Manager for Microsoft Corporation stated at the same conference that from his perspective, few people bought tickets on-line in 1996, at most 10% of Internet users. This new method still needed a lot of efforts to reach achievement (Travel Weekly, March 1997).

- For the airlines and hotels, online fulfillment was cheaper. A reservation taken over Radisson's 800 number costed the hotel company about \$10 in the United States and up to \$40 abroad. The incremental costs of taking a reservation online were a few pennies, said Rachael Marret, Radisson's Director of Interactive marketing.

- Marriott International earned \$1.5 million from on-line reservation stated Michael Pusateri, Vice President of Interactive Sales and Marketing. Also, he said the hotel company was estimating \$6-7 million in booking through the site by the end of this year. In addition, he suggested promotions on the Web, as opposed to more traditional forms of marketing, were timely, measurable, customizable and inexpensive. Moreover, he noted there was great interest among the public to make reservation over the Internet, nothing travel sales via the Web were second only to computer software sales. Finally, he predicted by the year 2000 travel booking on the Internet could reach \$10 billion(Travel Weekly, March 1997).

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- Hilton hotels corporation won the award for "Best Web Site" among hotels in the magazine's tenth annual Freddie Awards (a travel industry

equipment to the Oscar and Emmy)

(<http://www.hotelmarketing.com/archives/News/98/03/02.03.98-08.htm>).

The Travel Industry Association predicted a 440 percent increase in on-line travel booking over the next two years stated Jeffrey Diskin, President and Chief Operating Officer of Hilton Hhonor Worldwide

(<http://www.hotelmarketing.com/archives/News/98/03/02.03.98-08.htm>).

## ***Security***

Security on the World Wide Web is very important in either financial, credit card transactions, and information, Internet applications, systems.

Any information you send across the Internet should be secured and privated.

For the purposes of electronic commerce, it is important that clients authenticate themselves to servers and that servers authenticate themselves to clients. Whenever a message enters the public Internet for transfer, it must bear some unambiguous identification at the system from which it came.

Several software companies and electronic marketplace providers are tackling the issue of secure Web information transfer by developing additional data security measures that involve encryption or digital coding at sensitive data, such as credit card numbers, between the client and server.

## ***Netscape's Secure Sockets Layer (SSL)***

Netscape developed Secure Sockets Layer (SSL) to address security concerns about information transferred over the Web. SSL can be used for transactions other than those on the Web, but it is not designed to handle security decisions authentication at the application or document level.

## ***Secure-HTTP (S-HTTP)***

S-HTTP is specifically providing for the authorization and security of documents.

## ***Secure Electronic Transactions (SET)***

Secure Electronic Transactions is a protocol for encrypted credit card payment transfer. Announced in February 1996, by VISA and Master Card, SET establishes a single technical standard for protecting payment card purchases made over the Internet and other open networks.

The objectives of payment security are to: provide authentication of cardholders, merchants, and acquires; provide confidentiality of payment data; preserve the integrity of payment data; and define the algorithms and protocols necessary for these security services.

## *Some of the Security Standards for the Internet*

<b>Standard</b>	<b>Function</b>	<b>Application</b>
Secure HTTP (S-HTTP)	Secures Web transactions	Browsers, Web servers, Internet applications
Secure Sockets Layer (SSL)	Secures data packets at the network layer	Browsers, Web servers, Internet applications
Secure Electronic Transaction (SET)	Secures Credit Card transactions	Smart Cards, transaction Servers, electronic commerce

*Source: Kosiur, David (1997).*

# **CHAPTER III**

## **RESULTS AND ANALYSES**

The summary of raw data of fourteen corporate hotels which obtained by telephone interview is shown in appendix 1, followed by that of six individual hotels which obtained by mail survey, as presented in appendix 2. These data were then used to evaluate and analyze in terms of accomplishment of the WWW on producing hotel's sale, as seen in the following sections.

In addition, the distribution of number of hotels classified by type of hotel for both corporate and individual hotels, and the range of the size of each hotel property are shown in table 1. For corporate hotel, the data indicates that the amount of first class-luxury hotels is half of the total amount of hotels in this study. While, a ratio of budget-economy hotel is only 1/14. Also, for individual hotel, the amount of first class-luxury hotels is the double of that of mid-price hotels. Whereas, there is no result available from an individual budget-economy hotel. Therefore, in the further analysis, it is necessary to analyze data of these hotels separately since the population of each type of hotel is not uniform.

Also, table 2 illustrates the distribution of number of hotels classified by hotel's major market segment for both corporate and individual hotels as well as the range of the size of each hotel property. From the table, the hotel's major market segments of most corporate hotel appear to be business. While, for individual hotel, the amount of hotels, which their major market segments are business, is equal to that of hotels with leisure type.

Then, table 3 shows the summary of analyzed data which consist of number of rooms sold via Internet per year, maintenance cost per year of hotel's Web page, original development cost of hotel's Web page, and maintenance cost per room per year. And each issue is then discussed further in details.

In addition, a trend of publishing and maintaining Web sites on the Internet for both corporate and individual hotels during 1995-1997 are illustrated. It is shown in the first diagram that in 1995, for corporate hotel, there was only mid-price and first class-luxury hotels that published their Web sites on the Internet. Whereas, for individual hotel, only first class-luxury hotels launched their Web sites into public. From the second diagram, in 1996 corporate budget-economy hotels started launching their Web sites. Similarly, individual mid-price hotels started launching their own Web sites as well. In the last diagram, in 1997, for corporate hotel, the percentage of hotels that maintain Web sites remained the same as the previous year. While, the ratio of launching Web sites of individual mid-price hotels was increasing.

Moreover, the diagrams of percentage of host computer server which corporate and individual hotel's Web pages were kept are also shown. For corporate hotel, Travelweb was the most popular server, followed by hotel's own, which hotels created by themselves. While, the percentage of host computer server which individual hotel's Web pages were kept was uniform.

Finally, comparisons of average percentage of rooms sold via Internet and other methods are presented, for both type of hotels and hotel's major market segment criteria.

**Table 1: Distribution of Number of Hotel Property Classified by Type of hotel, and The Range of the Size of Each Hotel Property**

	Type of Hotel	Number of Hotel Property	Range of the Size of Hotel Property (rooms)
Corporate Hotel	Budget-Economy	1	700,000
	Mid-Price	6	7,200-570,000
	First Class-Luxury	7	6,300-200,000
Individual Hotel	Budget- Economy	None	
	Mid-Price	2	487-840
	First Class-Luxury	4	12-158

It is obviously seen that the sizes of hotel property of individual hotels are very small in comparison with those of corporate hotels as shown in table 1 and 2.

**Table 2: Distribution of number of hotel property by hotel's major market segment, and the range of the size of each hotel property**

	Hotel's Major Market Segment	Number of Hotel Property	Range of the Size of Hotel Property (rooms)
Corporate Hotel	Business	12	6,300-700,000
	Leisure	2	33,000-370,000
Individual Hotel	Business	3	158-840
	Leisure	3	12-40

### ***Summary Statistic of Analyzed data***

The summary statistic of analyzed data for both corporate and individual hotels which each of them is divided up by type of hotel into three categories; namely budget-economy, mid-price, and first class-luxury, is shown in table 3. The average number of rooms sold via Internet per year (R) is graphically presented in figure 1. In addition, average maintenance cost per year of hotel's Web Page (MC) is explained in figure 2. Also, average maintenance cost per room per year for hotel's Web Page (MC/room) is



shown in figure 3. Finally, average original development cost of hotel's Web Page (DC) is presented in figure 4.

**Table 3: Summary Statistic of Analyzed Data of Both Corporate and Individual Hotels**

	Type of hotel	$\bar{R}$ (room/year)	$\overline{MC}$ (\$/year)	$\overline{DC}$ (\$)	$\overline{MC}/\text{room}$ (\$/room/year)
Corporate Hotel	Budget-Economy	7,000	5,400	50,000	0.77
	Mid-Price	8,075	5,700	39,812	13.46
	First Class-Luxury	1,928	5,533	76,160	40.37
Individual Hotel	Budget-Economy	-	-	-	-
	Mid-Price	115	900	1,750	9.00
	First Class-Luxury	99	1,500	533	19.60

#### Legend

$\bar{R}$  = average number of rooms sold via Internet per year

$\overline{MC}$  = average maintenance cost per year of hotel's Web Page

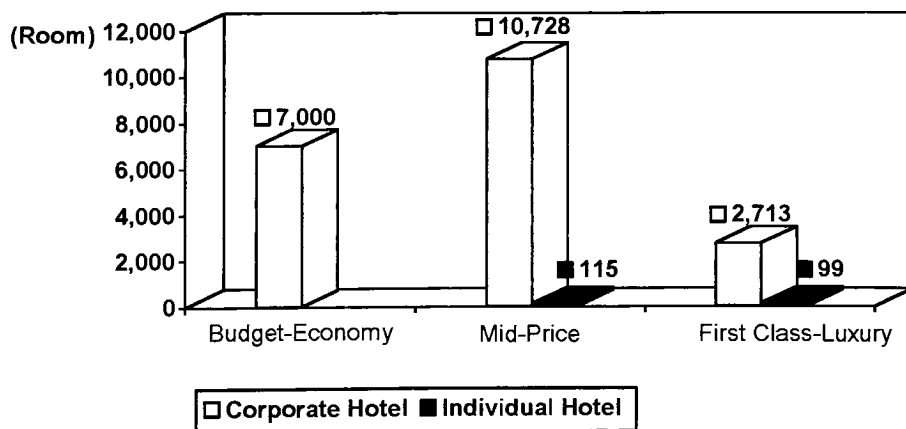
$\overline{MC}/\text{room}$  = average maintenance cost per room per year for hotel's Web Page

$\overline{DC}$  = average original development cost of hotel's Web Page

### ***Number of Rooms Sold via Internet Per Year***

According to figure 1, for both corporate and individual hotels, it is obviously seen that mid-price hotels are the most successful in producing rooms sales via Internet followed by budget-economy hotels and first class-luxury hotels, respectively.

**Figure 1: The average number of rooms sold via Internet per year**



Note: No data available from Individual Budget-Economy hotel

The distribution of the number of rooms sold via Internet per year of seven corporate first class-luxury hotels is shown in figure 2. The values range from 63 to 12,768 rooms per year.

**Figure 2: The Distribution of number of rooms sold via Internet per year of corporate first class-luxury hotels**

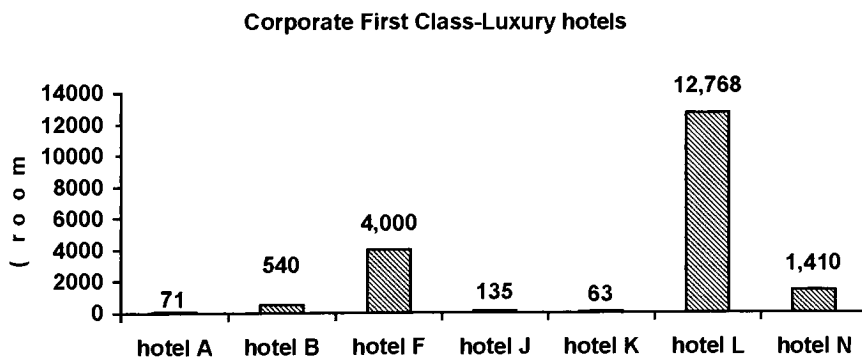
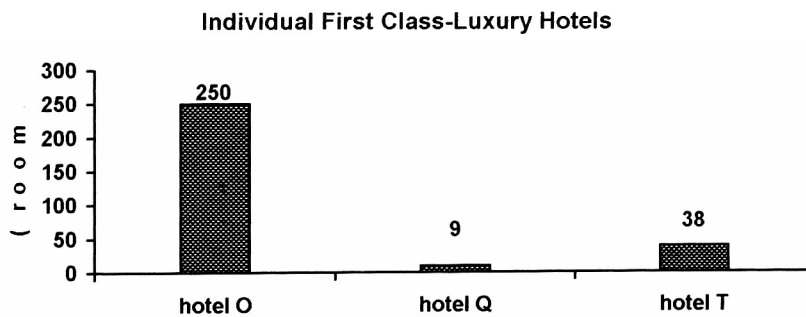


Figure 3 presents the distribution of the number of rooms sold via Internet per year of three individual first class-luxury hotels. The values range from 9 to 250 rooms per year.

**Figure 3: The Distribution of number of rooms sold via Internet per year of corporate first class-luxury hotels**



The distribution of the number of rooms sold via Internet per year of six corporate mid-price hotels is shown in figure 4. The values range from 72 to 57,000 rooms per year.

**Figure 4: The Distribution of number of rooms sold via Internet per year of corporate mid-price hotels**

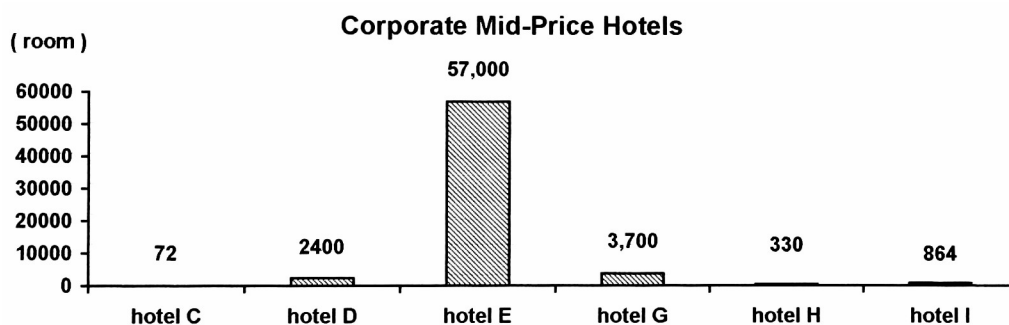
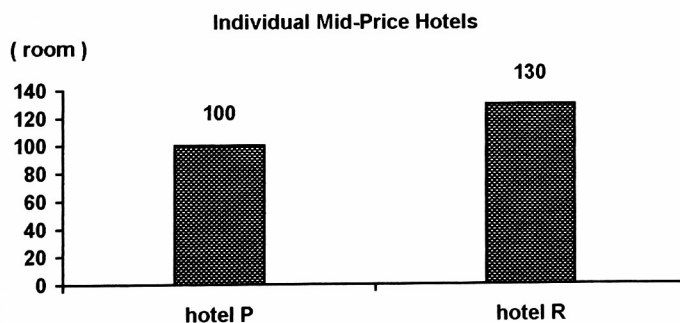


Figure 5 illustrates the values of the number of rooms sold via Internet per year of two individual mid-price hotels. However, for the corporate budget-economy hotel, a chart cannot be created. Since only one hotel responded to our survey. And its value is 7,000 rooms per year. In addition, there is no available data for individual budget-economy hotel.

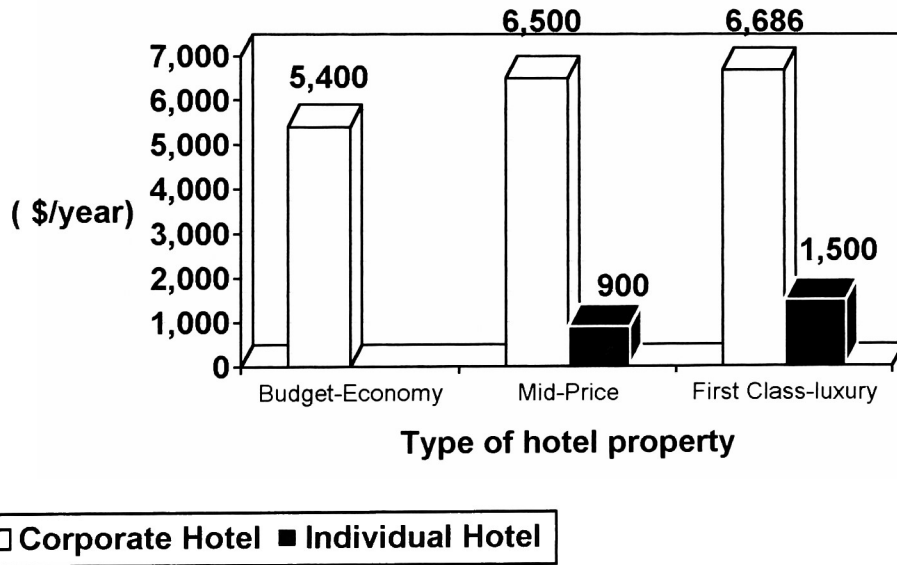
**Figure 5: The number of rooms sold via Internet per year of individual mid-price hotels**



## *Maintenance Cost Per Year of Hotel's Web Page*

It is indicated from figure 6 that all types of corporate hotels spend much more money on maintaining their Web sites rather than individual hotels. The maintenance cost per year of first class-luxury hotels' Web page is the highest for both corporate and individual hotels.

**Figure 6: The Average Maintenance Cost Per Year of Hotel's Web Page**



Note: No data available from Individual Budget-Economy hotel

The distribution of the maintenance cost per year of hotel's Web Page of seven corporate first class-luxury hotels is shown in figure 7. The values range from 4,800 to 9,600 dollars per year.

**Figure 7: The Distribution of maintenance cost per year of hotel's Web Page of corporate first class-luxury hotels**

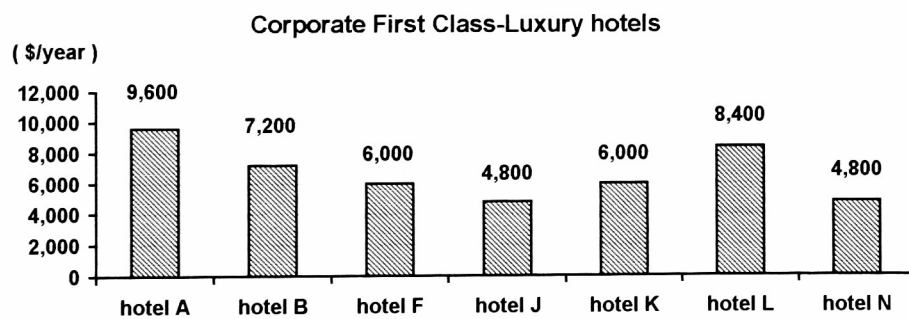
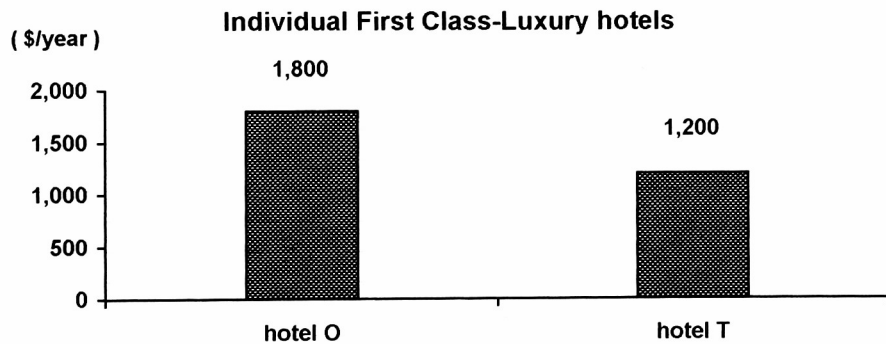




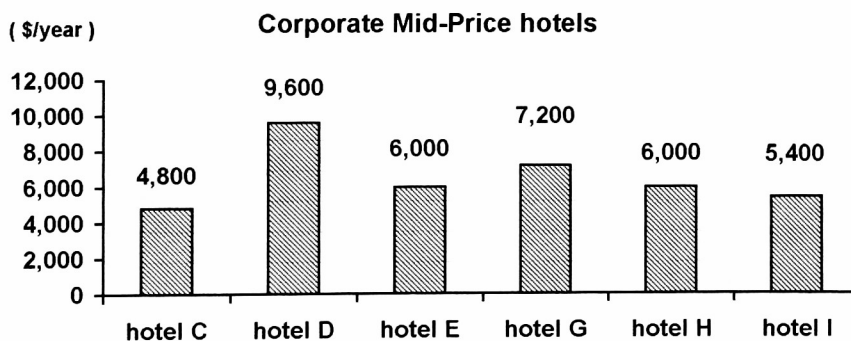
Figure 8 presents the distribution of the maintenance cost per year of hotel's Web Page of two individual first class-luxury hotels. The values are 1,200 and 1,800 dollars per year.

**Figure 8: The Distribution of maintenance cost per year of hotel's Web Page of individual first class-luxury hotels**



The distribution of the maintenance cost per year of hotel's Web Page of six corporate mid-price hotels is shown in figure 9. The values range from 4,800 to 9,600 dollars per year. However, for the individual mid-price hotel, a chart cannot be created as well as the corporate budget-economy hotel. Since only one hotel of each responded to our survey. The former value is 900 and the latter is 5,400 dollars per year. In addition, there is no available data for individual budget-economy hotel.

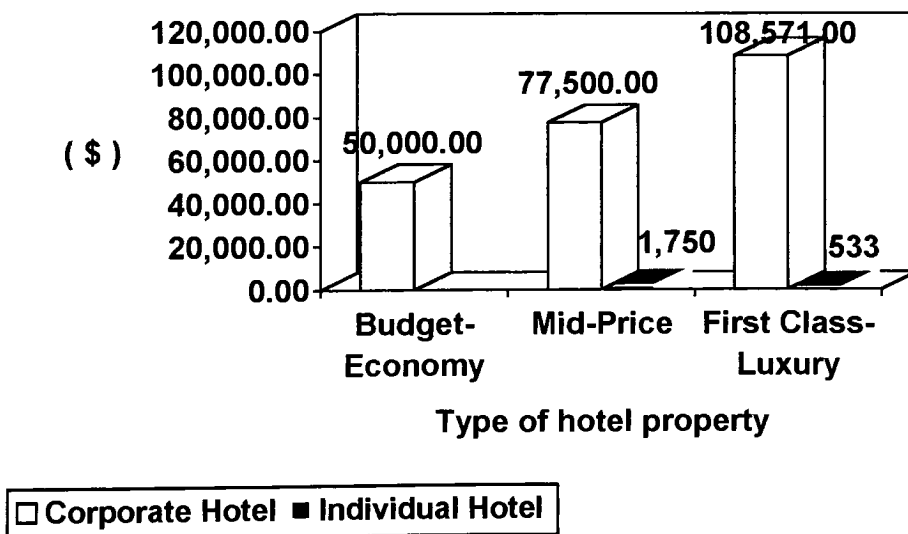
**Figure 9: The Distribution of maintenance cost per year of hotel's Web Page of corporate mid-price hotels**



## ***Original Development Cost of Hotel's Web Page***

It is seen from figure 10 that the corporate first class-luxury hotels spend much more money on original development their Web sites, followed by corporate mid-price and corporate budget-economy hotel, respectively. Also, all types of corporate hotels invest much more money in original development their Web sites rather than two types of individual hotels, which include first class-luxury and mid-price.

**Figure 10: The average original development cost of hotel's Web Page by type of hotel property**



Note: No data available from Individual Budget-Economy hotel

The distribution of the original development cost of hotel's Web Page of seven corporate first class-luxury hotels is presented in figure 11. The values range from 40,000 to 300,000 dollars.

**Figure 11: The Distribution of original development cost of hotel's Web Page of corporate first class-luxury hotels**

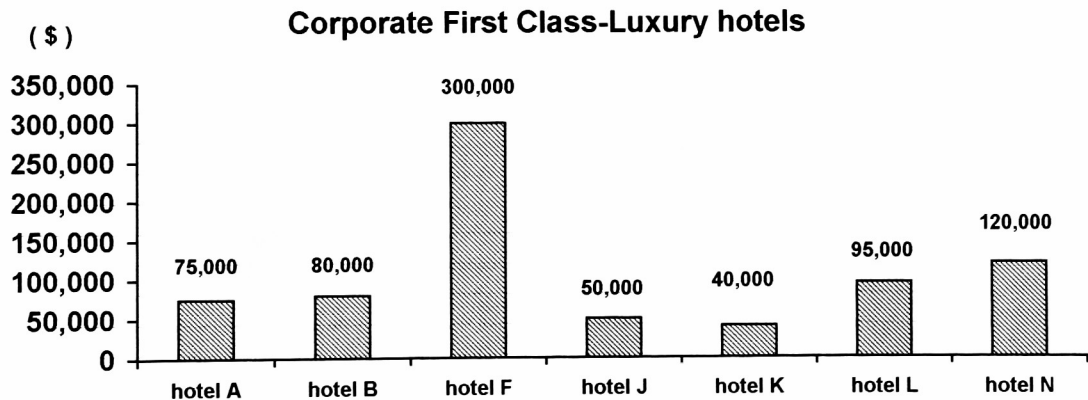
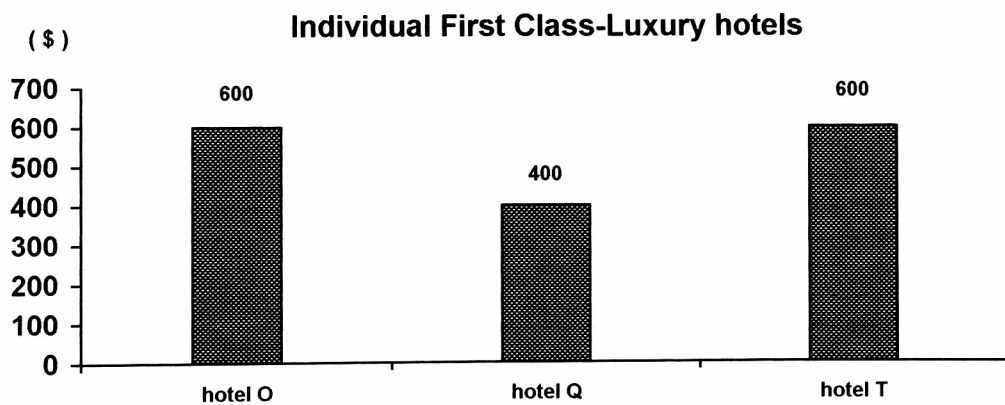


Figure 12 illustrates the distribution of the original development cost of hotel's Web Page of three individual first class-luxury hotels. The values range from 400 to 600 dollars.

**Figure 12: The Distribution of original development cost of hotel's Web Page of individual first class-luxury hotels**



The distribution of the original development cost of hotel's Web Page of six corporate mid-price hotels is indicated in figure 13. The values range from 20,000 to 150,000 dollars.

**Figure 13: The Distribution of original development cost of hotel's Web Page of corporate mid-price hotels**

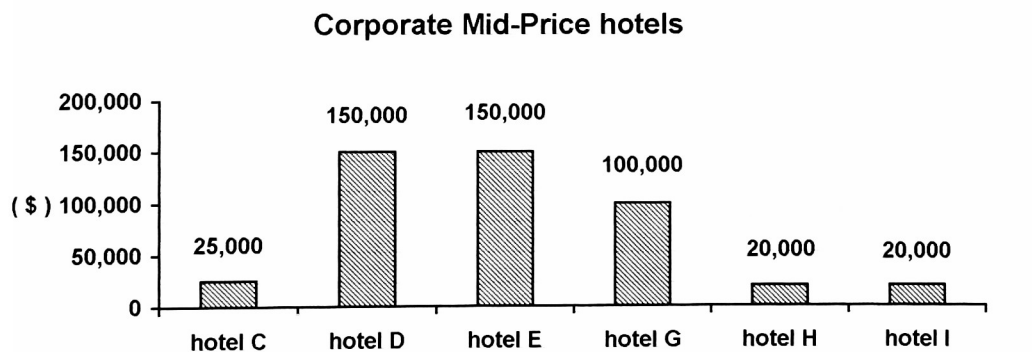
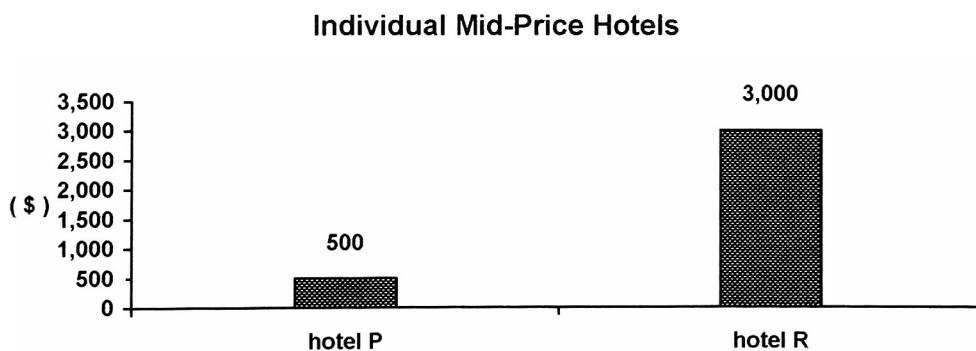


Figure 14 illustrates the distribution of the original development cost of hotel's Web Page of two individual mid-price hotels. However, for the corporate budget-economy hotel, a chart cannot be created. Since only one hotel responded to our survey. Its value is 50,000 dollars. In addition, there is no available data for individual budget-economy hotel.

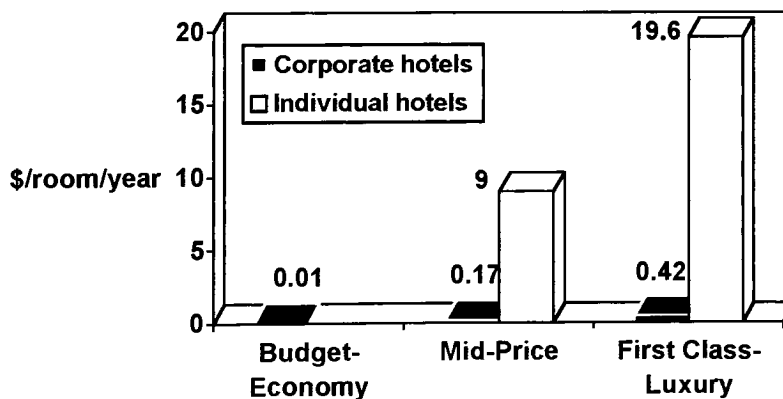
**Figure 14: The original development cost of hotel's Web Page of individual mid-price hotels**



## ***Maintenance Cost Per room Per Year***

It is indicated from figure 15 that two types of individual hotels (include first class-luxury and mid-price) take more risk in investing much more money in maintaining their Web sites rather than all types of corporate hotels due to their much smaller sizes of their hotel properties. Therefore, the maintenance cost per room per year of individual first class-luxury hotels' Web page appears to be the highest, followed by that of individual mid-price hotel, in comparison with the rest of them.

**Figure 15: The Average Maintenance Cost Per Room per Year for Hotel's Web Page by Type of Hotel Property**



Note: No data available from Individual Budget-Economy hotel



The distribution of the maintenance cost per room per year of hotel's Web Page of seven corporate first class-luxury hotels is shown in figure 16. The values range from 0.03 to 1.34 dollars per room per year.

**Figure 16: The Distribution of maintenance cost per room per year for hotel's Web page of corporate first class-luxury hotels**

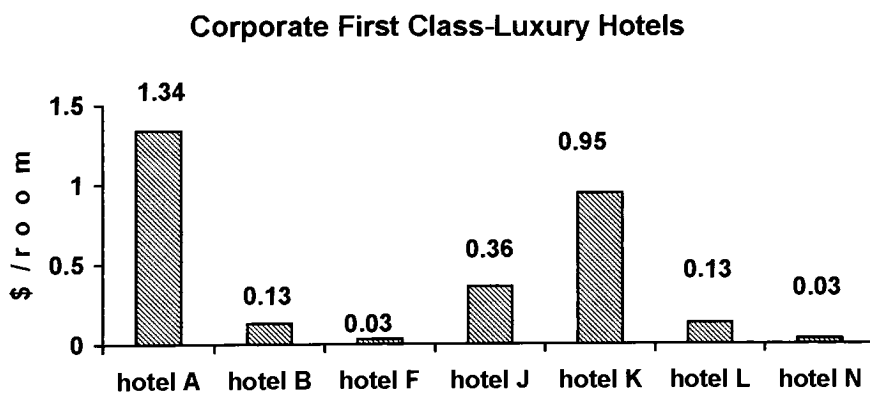


Figure 17 presents the distribution of the maintenance cost per room per year of hotel's Web Page of two individual first class-luxury hotels. The values are 7.2 and 32 dollars per room per year.

**Figure 17: The Distribution of maintenance cost per room per year for hotel's Web page of individual first class-luxury hotels**



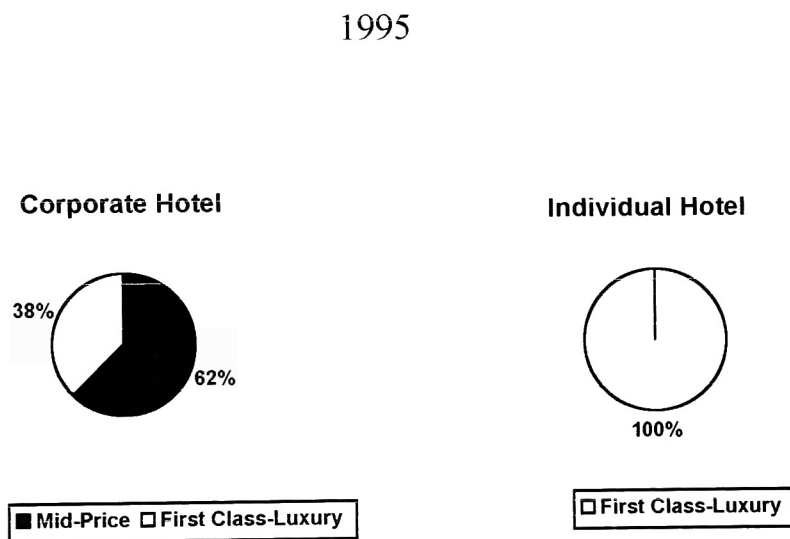
The distribution of the maintenance cost per room per year of hotel's Web Page of six corporate mid-price hotels is shown in figure 18. The values range from 0.01 to 0.67 dollars per room per year. However, for the individual mid-price hotel, a chart cannot be created as well as the corporate budget-economy hotel. Since only one hotel of each responded to our survey. The former value is 9 dollars per room per year and the latter is 0.01 dollars per room per year. In addition, there is no available data for individual budget-economy hotel.

**Figure 18: The Distribution of Maintenance Cost Per Room Per Year for Hotel's Web Page of Corporate Mid-Price Hotels**



## *Trend of Publishing and Maintaining Web Sites on the Internet of Corporate and Individual Hotels*

**Figure 19-21: Percentage of Hotels That Maintain Web Site through out The Year by Type of Hotel Property**



**Figure 19**

It is seen from figure 19 that in 1995, for a corporate hotel, only mid-price and first class-luxury hotels launched their Web sites. The composition of mid-price hotel (62%) is almost double of that of first class-luxury hotel (38%). While, for an individual hotel, only first class-luxury published their Web sites.

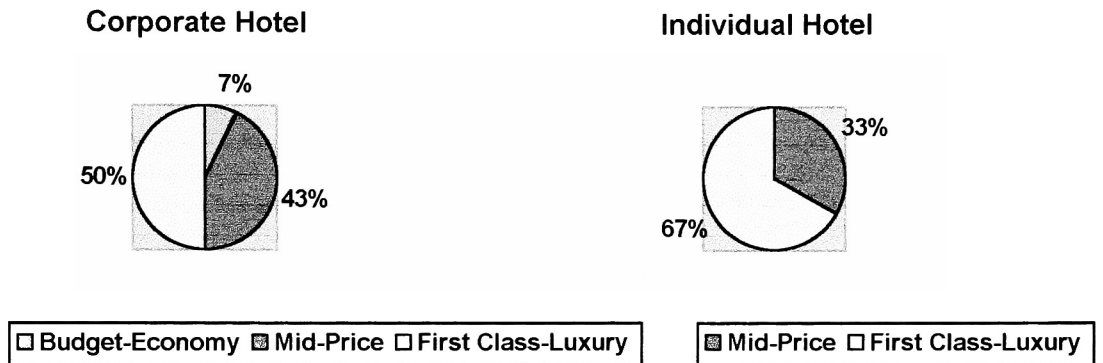
1996



Figure 20

Figure 20 shows that in 1996, for a corporate hotel, the budget-economy hotels started launching their Web sites. Also, the numbers of first class-luxury hotels' Web sites were increasing. As the result, the composition of first class-luxury hotels' Web site was then larger than that of mid-price hotels' While, for an individual hotel, mid-price hotels started publishing their Web sites.

1997



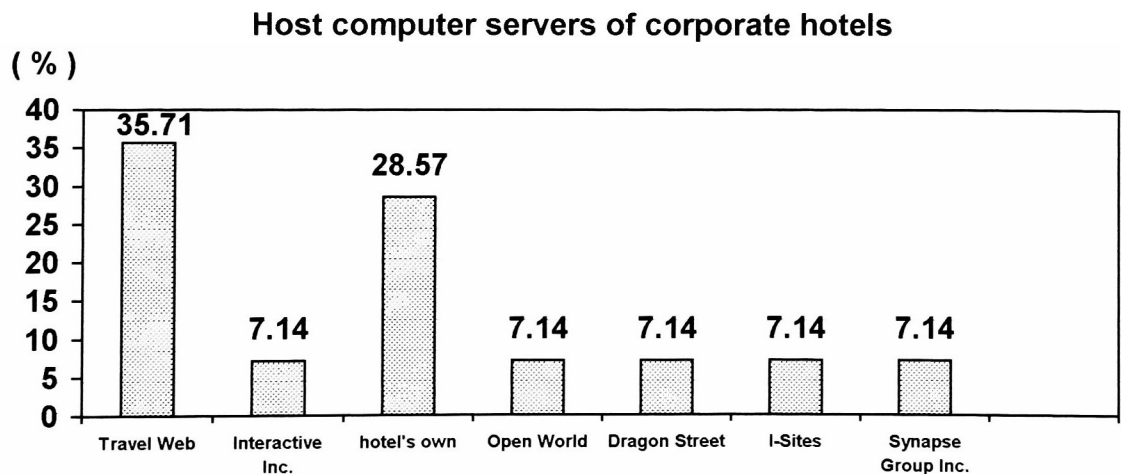
**Figure 21**

Figure 21 indicates that in 1997, for a corporate hotel, the percentage of hotels that maintain Web site remained the same as the previous year. Whereas, for an individual hotel, only mid-price hotels increased launching their Web sites.

## ***Host Computer Server Which Hotel's Web Page Are Kept***

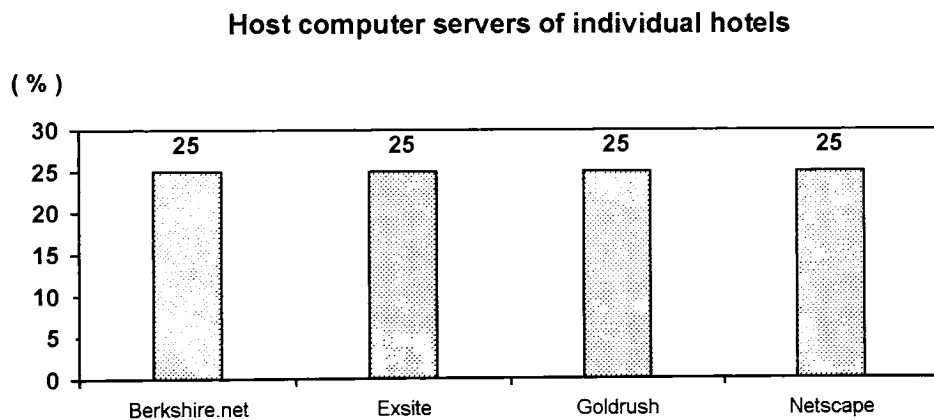
Figure 22 shows percentage of host computer server which corporate hotel's Web page are kept. It can be seen that Travelweb is the most popular server(35.71%) followed by hotel's own(28.57%), which hotel creates itself.

**Figure 22: The percentage of host computer server which corporate hotels' Web Page are kept**



While, figure 23 presents the distribution of the percentage of host computer server which individual hotels' Web Page are kept.

**Figure 23: The percentage of host computer server which individual hotels' Web Page are kept**





## ***Comparison of Average Percentage of Rooms Sold Via Internet and Other Methods***

Figure 24 indicates that the average percentage of rooms sold via other methods for all types of corporate hotels, which are classified by type of hotel property, is very high in comparison with that of rooms sold via Internet.

**Figure 24: The average percentage of rooms sold via Internet and other methods of corporate hotel by type of hotel property**

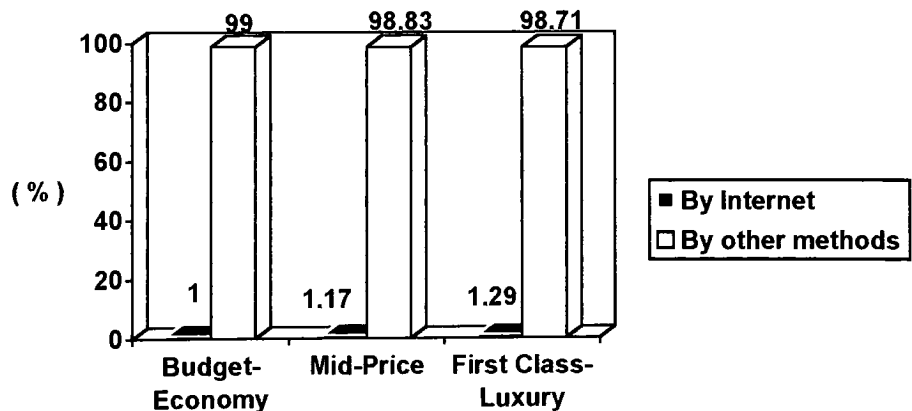
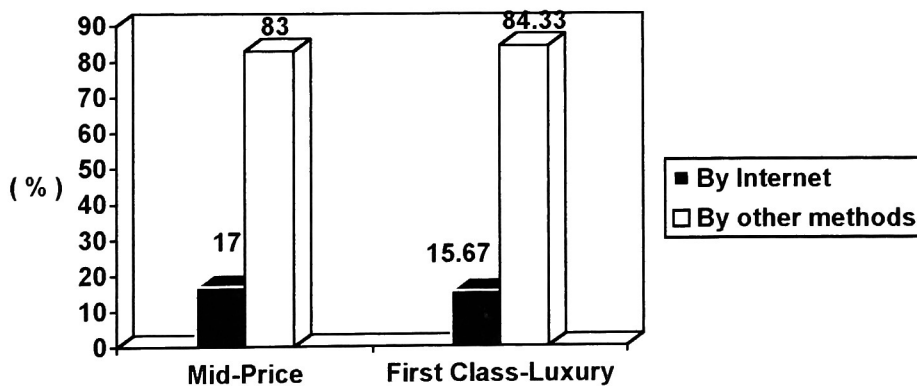


Figure 25 shows similar results as figure 22's except that the differences between the average percentage of rooms sold via Internet and other methods of two types of individual hotels, which are classified by type of hotel property, are smaller.

**Figure 25: The average percentage of rooms sold via Internet and other methods of individual hotel by type of hotel property**



It is seen from figure 26 that the average percentage of rooms sold via other methods of two types of corporate hotels, which are classified by hotel's major market segment, is very high in comparison with that of rooms sold via Internet.

**Figure 26: The average percentage of rooms sold via Internet and other methods of corporate hotels classified by hotel's major market segment**

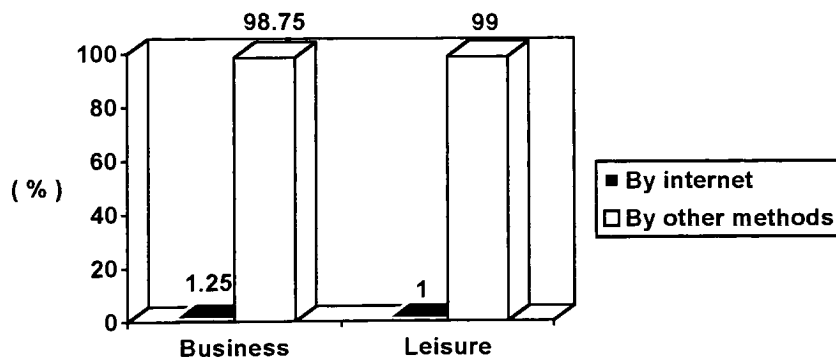
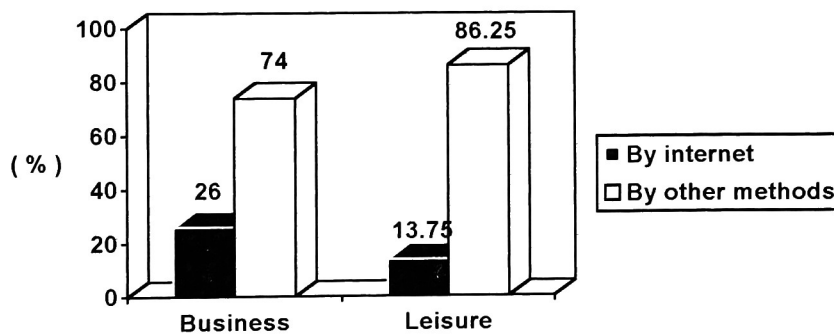


Figure 27 shows similar results as figure 26's except that the differences between the average percentage of rooms sold via Internet and other methods of two types of individual hotels, which are classified by hotel's major market segment are smaller.

**Figure 27: The average percentage of rooms sold via Internet and other methods of individual hotel by hotel's major market segment**



## **CHAPTER IV**

### **CONCLUSION AND RECCOMENDATION**

1. Generally, the sizes of hotel property of individual hotels are much smaller in comparison with those of corporate hotels. The highest value of corporate hotels can reach 700,000 rooms for corporate budget-economy hotels. Whereas, the highest value of individual hotels is 840 rooms.
2. Most corporate hotels that offer their hotel services on the Internet free of charge to the customers consider themselves that business is their major market segment. While, for individual hotels, the amount of hotels which their major market segments are business, are about the same as that of leisure-type hotels.
3. Obviously, for both corporate and individual hotels, mid-price hotels are the most successful in producing rooms sales via Internet, followed by budget-economy hotels and first class-luxury hotels, respectively.
4. All types of corporate hotels, which consist of budget-economy, mid-price, and first class-luxury, spend much more money on maintaining their Web sites rather than all types of individual hotels. The average maintenance cost per year of first class-luxury hotels' Web sites is the highest value for both corporate and individual hotels. The former is 6,686 dollars/year, the latter is 1,500 dollars/year. In addition, the maintenance cost per year of corporate first class-luxury hotel range from 4,800 to 9,600 dollars/year. While, for corporate

mid-price hotels, these price range from 4,800 to 9,600 dollars/year. Also, for individual hotels, first class-luxury hotels' price range from 1,200 to 1,800 dollars/year, while mid-price hotels pay 900 dollars a year.

5. The corporate first class-luxury hotels invest the biggest money on original development their Web sites. This can cost 108,571 dollars in average. While, the price of individual first class-luxury is 533 dollars in average. In addition, basically, in the same categories, all types of corporate hotels spend much more money in this issue rather than those of individual hotels. It can be seen that there are big differences in the original development prices between corporate and individual for both types of hotel; namely first class-luxury, and mid-price hotels. For instance, for corporate first class-luxury hotels, prices can range from 40,000 dollars to 300,000 dollars, while individual first class-luxury hotels' prices range from 400 dollars to 600 dollars. Consequently, individual hotels take more risk in investing much more money in maintaining their Web sites rather than corporate hotels. Since the sizes of individual hotels' properties are basically much smaller than those of corporate hotels. In the other word, investment in creating and maintaining Web sites of corporate hotels is much financially worth in comparison with that of individual hotels.
6. In 1995, for corporate hotels, there were only mid-price and first class-luxury hotels that launched the Web sites on the Internet. The ratio of mid-price hotel (62%) is almost double of that of first class-luxury hotel (38%). While, for individual hotels only first class-luxury hotels published their Web sites into public. In 1996, corporate budget-economy hotel started launching their Web

sites. Meanwhile, the numbers of first class-luxury hotels' Web sites were increasing. As the result, the ratio of first class-luxury hotels' Web sites was currently larger than that of mid-price hotel's. Whereas, for an individual hotel, mid-price hotels started publishing their Web sites. In 1997, for corporate hotels, the diagram shows an identical result as a result in 1996. This means that, for corporate hotels, all of them have already launched their Web sites into public and are still keeping them on the Internet. While, for individual hotels, only mid-price hotels were increasing in publishing their own Web sites. From this point (1997), the ratios of maintaining Web sites on the Internet of first class-luxury hotels are dominant in both corporate and individual types of hotels.

7. For corporate hotels, the most popular host computer server that hotel's Web sites are kept is Travelweb, followed by hotel's own, which refers to a server that hotel creates by itself. While, for individual hotels, the host computer servers are randomized.
8. For corporate hotels, the average percentage of rooms sold via Internet is very small (about 1%) for all types of hotels; namely, budget-economy, mid-price, and first class-luxury, compared with that of rooms sold via other methods (about 98-99%). For individual hotels, the trend is the same as above except that the average percentage of rooms sold via Internet is higher (about 16% in average). In addition, using a hotel's major market segment, as a classified's tool, the similar results (about the same rate) are obtained for both corporate and individual hotels.

9. Finally, all hoteliers including both corporate and individual hotels want to keep their Web sites on the Internet. They consider them one of the advertisement media, which would be helpful in producing room sales in customer service aspect. Since customers can find all the information about the hotel and availability as they need as well as make a reservation themselves without travel agents. Internet and World Wide Web home page site offer a convenience to their customers.



## RECOMMENDATION

1. According to the average percentage of room sold via Internet, via Internet, the average of percentage is about 1-2%, which is very in comparison with that of other methods. However, all hoteliers want to keep their Web sites into public as one of the advertisements. One of the advantages is convenience. Customers can make reservation by themselves without travel agents. Therefore, Web site should be easy-to-use, point-and-click, convenient, and also has a friendly atmosphere.
2. Regarding to the original development cost of hotel's Web page, the corporate hotels invest much more money on it rather than individual hotels. Usually, the Web sites of corporate hotels are more interesting and entertaining. However, the costs of some corporate hotels seem to be too high in comparison of revenue from the Internet. Therefore, these hotels should reconsider and try to reduce costs for creating new-version of Web sites. Because it is necessary to revise, to keep Web page update all the time especially in graphics and information.
3. Since World Wide Web is an interactive media, a Web site that can make the viewer participate, make choices, and take action, will be more successful. Therefore, it is necessary to create interesting and entertaining activities such as sweepstake, games on the Web.
4. Put your Web address on other medias such as magazines, business journal, television, and even billboard.

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& Resorts Worldwide, Winter 1997/1998 Edition, Advanstar Communication.

## Appendix 1: The Summary Results for Questions of Corporate Hotels (using telephone survey)

	Hotel A	Hotel B	Hotel C	Hotel D	Hotel E	Hotel F
1. Please indicate the number of rooms sold via internet? (or percentage of rooms)	# No. 71 Or 1%	# No. 540 Or 1%	# No. 72 Or 1%	# No. 2,400 Or 2%	# No. 57,000 Or 1%	# No. 4,000 Or 2%
2. Please indicate the number of rooms sold via other methods? (or percentage of rooms)	# No. (N/A) Or 99%	# No. (N/A) Or 99%	# No. (N/A) Or 99%	# No. (N/A) Or 98%	# No. (N/A) Or 99%	# No. (N/A) Or 98%
1. What is the total cost for original development of your hotel's web page?	\$ 75,000	\$ 80,000	\$ 25,000	\$ 150,000	\$ 150,000	\$ 300,000
4. What is the cost per month, quarter, or year for maintaining your hotel's web page on-line?	\$ 9,600 per year	\$ 7,200 per year	\$ 4,800 per year	\$ 9,600 per year	\$ 6,000 per year	\$ 6,000 per year
2. What is the cost for other methods of room sales?	\$ (N/A)	\$ (N/A)	\$ (N/A)	\$ (N/A)	\$ (N/A)	\$ (N/A)
6. Who decided to develop and use web page?(e.g. owner, general manager, corporate officer, executive committee)	Corporate Marketing	Corporate Marketing	Interactive - Department	Corporate - Marketing	Internet Marketing - group	Corporate - Marketing
7. When was your web page launched?	07/ 1996 (mm/dd/yy) keep	1996 (mm/dd/yy) keep	1995 (mm/dd/yy) revise	1995 (mm/dd/yy) keep	12/1995 (mm/dd/yy) revise	1996 (mm/dd/yy) keep
8. How will you decide whether to keep, to revise or to discontinue using the web page? (please write in your response)						
9. What are the security measures used for your hotel's web page registrations? (please write in security measures you use)	(N/A)	(N/A)	(N/A)	(N/A)	(N/A)	(N/A)
10. Who has the host computer server on which your web page is kept?	Dragon Street	Travel Web	I-Sites	Travel Web	Pegasus	Synapse Group Inc.
11. What is the size of your hotel property? (number of rooms)	#No. 7,180	#No. 54,750	#No. 7,200	#No. 120,000	#No. 570,000	#No. 200,000
12. What is the type of your hotel property? (please check one)	Budget, Economy, Mid-Price, First Class, Luxury	Budget, Economy, Mid-Price, First Class, Luxury	Budget, Economy, Mid-Price, First Class, Luxury	Budget, Economy, Mid-Price, First Class, Luxury	Budget, Economy, Mid-Price, First Class, Luxury	Budget, Economy, Mid-Price, First Class, Luxury
13. What is your hotel's major market segment? (please check one)	Business, Leisure, Conference, Other	Business, Leisure, Conference, Other	Business, Leisure, Conference, Other	Business, Leisure, Conference, Other	Business, Leisure, Conference, Other	Business, Leisure, Conference, Other
14. What is the ownership status of your hotel property? (please check one)	Corporate, Franchise, Management, Other	Corporate, Franchise, Management, Other	Corporate, Franchise, Management, Other	Corporate, Franchise, Management, Other	Corporate, Franchise, Management, Other	Corporate, Franchise, Management, Other

# **Appendix 1(Cont'd): The Summary results for questions of corporate hotels (using telephone survey)**

	Hotel g	Hotel h	Hotel i	Hotel j	Hotel k	Hotel l
1. Please indicate the number of rooms sold via internet? (or percentage of rooms)	# No. 3,700 Or 1% # No. (N/A)	# No. 330 Or 1% # No. (N/A)	# No. 864 Or 1% # No. (N/A)	# No. 135 Or 1% # No. 119,346	# No. 63 Or 1% # No. (N/A)	# No. 12,768 Or 2% # No. (N/A)
2. Please indicate the number of rooms sold via other methods? (or percentage of rooms)	Or 99% \$ 100,000	Or 99% \$ 20,000	Or 99% \$ 20,000	Or 99% \$ 50,000	Or 99% \$ 40,000	Or 98% \$ 95,000
3. What is the total cost for original development of your hotel's web page?	\$ 7,200 per year	\$ 6,000 per year	\$ 5,400 per year	\$ 4,800 per year	\$ 6,000 per year	\$ 8,400 per year
4. What is the cost per month, quarter, or year for maintaining your hotel's web page on-line?	\$ (N/A)	\$ (N/A)	\$ (N/A)	\$ (N/A)	\$ (N/A)	\$ (N/A)
3. What is the cost for other methods of room sales?						
6. Who decided to develop and use web page?(e.g. owner, general manager, corporate officer, executive committee)	Group Reservation - Division	Corporate Marketing	Department of Interactive - Marketing	Corporate Marketing	Department of New Technology	Department of Corporate - Public Relation
7. When was your web page launched?	1995 (mm/dd/yy) keep	1995 (mm/dd/yy) revise	Late 1996 (mm/dd/yy) revise	1996 (mm/dd/yy) keep	1995 (mm/dd/yy) keep	1995 (mm/dd/yy) keep
8. How will you decide whether to keep, to revise or to discontinue using the web page? (please write in your response)						
9. What are the security measures used for your hotel's web page registrations? (please write in security measures you use)	(N/A)	(N/A)	Password	(N/A)	(N/A)	(N/A)
10. Who has the host computer server on which your web page is kept?	own	Travel Web (THISCO)	Interactive, Inc.	Own	Travel Web	Open World
11. What is the size of your hotel property? (number of rooms)	#No. 370,000	#No. 33,000	#No. 86,400	#No. 13,500	#No. 6,300	#No. 63,840
12. What is the type of your hotel property? (please check one)	Budget, Economy, Mid-Price, First Class, Luxury	Budget, Economy, Mid-Price, First Class, Luxury	Budget, Economy, Mid-Price, First Class, Luxury	Budget, Economy, Mid-Price, First Class, Luxury	Budget, Economy, Mid-Price, First Class, Luxury	Budget, Economy, Mid-Price, First Class, Luxury
13. What is your hotel's major market segment? (please check one)	Business, Leisure, Conference, Other	Business, Leisure, Conference, Other	Business, Leisure, Conference, Other	Business, Leisure, Conference, Other	Business, Leisure, Conference, Other	Business, Leisure, Conference, Other
14. What is the ownership status of your hotel property? (please check one)	Corporate, Franchise, Management, Other	Corporate, Franchise, Management, Other	Corporate, Franchise, Management, Other	Corporate, Franchise, Management, Other	Corporate, Franchise, Management, Other	Corporate, Franchise, Management, Other

## Appendix 1(Cont'd): The Summary Results for Questions of Corporate Hotels (using telephone survey)

	Hotel m	Hotel n
1. Please indicate the number of rooms sold via internet? (or percentage of rooms)	# No. 7,000 Or 1%	# No. 1,410 Or 1%
2. Please indicate the number of rooms sold via other methods? (or percentage of rooms)	# No. (N/A) Or 99%	# No. (N/A) Or 99%
3. What is the total cost for original development of your hotel's web page?	\$ 50,000	\$ 120,000
4. What is the cost per month, quarter, or year for maintaining your hotel's web page on-line?	\$ 5,400 per year	\$ 4,800 per year
5. What is the cost for other methods of room sales?	\$ 2,500	\$ (N/A)
6. Who decided to develop and use web page?(e.g. owner, general manager, corporate officer, executive committee)	Department of Electronic - Communication	Department of Media Relation
7. When was your web page launched?	1996 (mm/dd/yy)	1995 (mm/dd/yy)
8. How will you decide whether to keep, to revise or to discontinue using the web page? (please write in your response)	keep	keep
9. What are the security measures used for your hotel's registrations? (please write in security measures you use)	(N/A)	(N/A)
10. Who has the host computer server on which your web page is kept?	own	On-line reservation (own)
11. What is the size of your hotel property? (number of rooms)	#No. 700,000	#No. 141,006
12. What is the type of your hotel property? (please check one)	Budget, Economy, Mid-Price, First Class, Luxury	Budget, Economy, Mid-Price, First Class, Luxury
13. What is your hotel's major market segment? (please check one)	Business, Leisure, Conference, Other	Business, Leisure, Conference, Other
14. What is the ownership status of your hotel property? (please check one)	Corporate, Franchise, Management, Other	Corporate, Franchise, Management, Other

## Appendix 2: The Summary Results for Questions of Individual Hotels (using mail survey)

	Hotel O	Hotel P	Hotel Q	Hotel R	Hotel S	Hotel T
4. Please indicate the number of rooms sold via internet? (or percentage of rooms)	# No. 250 Or 30% # No. (N/A) Or 70% \$ 600	# No. 100 Or 8% # No. (N/A) Or % (N/A) \$ 500	# No. 8 Or 2% # No. (N/A) Or 98% \$ 400	# No. 130 Or % (N/A) # No. 119,346 Or % (N/A) \$ 3,000	# No. (N/A) Or % (N/A) # No. (N/A) Or % (N/A) \$ (N/A)	# No. 37.5 Or 15% # No. (N/A) Or 85% \$ 600
5. What is the total cost for original development of your hotel's web page?	\$ 1,800 per year	\$ 900 per year	\$ (N/A)	\$ (N/A)	\$ (N/A)	\$ 1200 per year
4. What is the cost per month, quarter, or year for maintaining your hotel's web page on-line?	\$ 2,500	\$ (N/A)	\$ 200	\$ (N/A)	\$ (N/A)	\$ 200
5. What is the cost for other methods of room sales?	owner	General Manager	General Manager	Marketing	Head office	Corporate officer
6. Who decided to develop and use web page?(e.g. owner, general manager, corporate officer, executive committee)	11/ 1996 (mm/dd/yy) revise	11/1996 (mm/dd/yy) keep	07/1996 (mm/dd/yy) revise	1997 (mm/dd/yy) revise	1995 (mm/dd/yy) keep	1996 (mm/dd/yy) revise
7. When was your web page launched?	(N/A)	(N/A)	Password	(N/A)	(N/A)	(N/A)
9. What are the security measures used for your hotel's web page registrations? (please write in security measures you use)	Berkshire.net	Exsite	Goldrush	own	Netscape	(N/A)
10. Who has the host computer server on which your web page is kept?	#No. 12	#No. 840	#No. 24	#No. 487	#No. 158	#No. 40
11. What is the size of your hotel property? (number of rooms)	Budget, Economy, Mid-Price, First Class, Luxury	Budget, Economy, Mid-Price, First Class, Luxury	Budget, Economy, Mid-Price, First Class, Luxury	Budget, Economy, Mid-Price, First Class, Luxury	Budget, Economy, Mid-Price, First Class, Luxury	Budget, Economy, Mid-Price, First Class, Luxury
12. What is the type of your hotel property? (please check one)	Business, Leisure, Conference, Other	Business, Leisure, Conference, Other	Business, Leisure, Conference, Other	Business, Leisure, Conference, Other	Business, Leisure, Conference, Other	Business, Leisure, Conference, Other
13. What is your hotel's major market segment? (please check one)	Corporate, Franchise	Corporate, Franchise	Corporate, Franchise	Corporate, Franchise	Corporate, Franchise	Corporate, Franchise
14. What is the ownership status of your hotel property? (please check one)	Management, Other	Management, Other	Management, Other	Management, Other	Management, Other	Management, Other

## Appendix 3

# R·I·T

**Rochester Institute of Technology**

School of Food, Hotel and  
Travel Management  
14 Lomb Memorial Drive  
Rochester, NY 14623-5604

April 07, 1998

Dear Manager of Interactive Marketing,

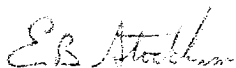
We are conducting a study to determine the answer to the question: "Is a World Wide Web home page site successful in producing room sales in hotels?". Your hotel was selected for this study because you currently have an active Web Site, which we obtained from "All the Hotels on the Web", <http://www.all-hotels.com>.

The purpose of our study is to evaluate the on-line services that hotels provide their customers through their Internet site. We are also interested in comparing this method with the more traditional marketing methods used at hotels having Web Sites.

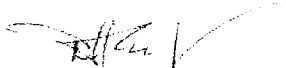
All individual hotel information will be kept confidential; only summary data will be published. If you would like a copy of our final results, please give us your name and address below.

We appreciate your participation in this study. Please complete the enclosed questionnaire and either mail or FAX it to us.

Sincerely,



Dr. Edward B. Stockham  
[EBSISM@rit.edu](mailto:EBSISM@rit.edu)  
(Professor)



Mr. David Crumb  
[DHCISM@rit.edu](mailto:DHCISM@rit.edu)  
(Professor)



Mr. Keng Bhenbhargkul  
[PX33547@rit.edu](mailto:PX33547@rit.edu)  
(Research Assistant)

Please send a copy of the final results to:

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**Appendix 4**  
**Rochester Institute of Technology**  
**School of Food, Hotel & Travel Management**

**Is a World Wide Web home page site successful in producing room sales in hotels?**

The purpose of our study is to evaluate the on-line services that hotels provide their customers through their Internet site.

Please fill in the information requested below: (or provide your best estimate)

	Number of rooms	Or	Percentage of rooms	
1. Please indicate the number of rooms sold via internet?	# No.		%	
2. Please indicate the number of rooms sold via other methods?	# No.		%	
3. What is the total cost for original development of your hotel's web page?	Total develop cost \$			
4. What is the cost per month, quarter, or year for maintaining your hotel's web page on-line?	Per month	Or	Per quarter	Or Per year
	\$		\$	\$
5. What is the cost for other methods of room sales?	\$		\$	\$
6. Who decided to develop and use web page? (e.g. owner, general manager, corporate officer, executive committee)	-----			
7. When was your web page launched?	(mm/dd/yy) -----			
8. Who has the host computer server on which your web page is kept?	-----			
9. What are the security measures used for your hotel's web page registrations? (please write in security measures you use)	----- ----- ----- ----- -----			
10. How will you decide whether to keep, to revise or to discontinue using the web page? (please write in your response)	----- ----- ----- ----- -----			
11. What is the size of your hotel property? (number of rooms)	# No.			
12. What is the type of your hotel property? (please check one)	Budget	Economy	Mid-Price	First Class
13. What is your hotel's major market segment? (please check one)	Business	Leisure	Conference	Other
14. What is the ownership status of your hotel property? (please check one)	Corporate	Franchise	Management	Other

All individual hotel responses are confidential. Only summary results will be made available.

Tel. # (716) 475-2820, Fax # (716) 475-5099

R.I.T Survey

R.I.T 10 Lomb Memorial Drive, Rochester, NY 14620

School's Home Page: <http://www.rit.edu/~702www>

## **Appendix 5**

**Table of Corporate Head Offices (Name, Telephone Number, Web Address)**

Name of Corporate Head Office	Web Address	Telephone Number
1. Hyatt Corporation	<a href="http://www.hyatt.com">http://www.hyatt.com</a>	(312) 750-1234
2. Marriott International, Inc.	<a href="http://www.marriott.com">http://www.marriott.com</a>	(301) 380-3000
3. Best Western International, Inc.	<a href="http://www.bestwestern.com">http://www.bestwestern.com</a>	(602) 957-4200
4. Choice Hotels International, Inc.	<a href="http://www.choicehotels.com">http://www.choicehotels.com</a>	(301) 979-5000
5. Promus Hotel Corporation	<a href="http://www.promus.com">http://www.promus.com</a>	(901) 374-5000
6. ITT Sheraton	<a href="http://www.sheraton.com">http://www.sheraton.com</a>	(781) 380-4242
7. Hilton Hotels Corporation	<a href="http://www.hilton.com">http://www.hilton.com</a>	(310) 278-4321
8. Holiday Hospitality Corporation	<a href="http://www.holiday-inn.com">http://www.holiday-inn.com</a>	(770) 604-2000
9. Red Roof Inns, Inc.	<a href="http://www.redroof.com">http://www.redroof.com</a>	(614) 876-3200
10. Candlewood Hotel Company, Inc.	<a href="http://www.doubletreehotels.com">http://www.doubletreehotels.com</a>	(316) 631-1300
11. The Ritz-Carlton Hotel Company, L.L.C.	<a href="http://www.ritzcarlton.com">http://www.ritzcarlton.com</a>	(404) 237-5500
12. La Quinta Inns, Inc.	<a href="http://www.laquinta.com">http://www.laquinta.com</a>	(210) 302-6000
13. U.S. Franchise Systems, Inc.	<a href="http://www.microtelinn.com">http://www.microtelinn.com</a>	(404) 321-4045
14. Trump Hotel&Casino Resorts, Inc.	<a href="http://www.trump.com">http://www.trump.com</a>	(609) 441-6060
15. Sonesta International Hotels Corporation	<a href="http://www.travelweb.com/thisco/sonesta/common/sonesta.html">http://www.travelweb.com/thisco/sonesta/common/sonesta.html</a>	(617) 421-5400
16. Signature Inns, Inc.	<a href="http://www.signature-inns.com">http://www.signature-inns.com</a>	(317) 581-1111
17. Westin Hotels&Resorts	<a href="http://www.westin.com">http://www.westin.com</a>	(206) 443-5000
18. Wyndham Hotel Corporation	<a href="http://www.wyndham.com">http://www.wyndham.com</a>	(214) 863-1000
19. Swissotel Sales Offices	<a href="http://www.travelweb.com/thisco/swiss/common/swiss.html">http://www.travelweb.com/thisco/swiss/common/swiss.html</a>	(212) 756-3953

## **Appendix 6**

### **Telephone Interview's Script**

Hello, My name is KENG BHENBHARGKUL. I am a research assistant at Rochester Institute of Technology. May I please speak to the Secretary of the CEO (or An Administrative Assistant).

(when reach the Secretary of the CEO or An Administrative Assistant):

Hello, My name is KENG BHENBHARGKUL. I am a research assistant at Rochester Institute of Technology. I am calling for Professor Stockham and Professor Crumb who are faculty at Rochester Institute of Technology's School of Food, Hotel and Travel Management.

We are doing a research study of room sales resulting from World Wide Web site. I have a questionnaire that I would like to ask the person who knows an information about the room sales resulting from World Wide Web site.

Could you please tell me whom would I talk to in order to get these informations? (name, title, telephone number)

Thank you very much, I appreciate your help.

(when reach the right person):

I am calling for Professor Stockham and Professor Crumb who are faculty at Rochester Institute of Technology's School of Food, Hotel and Travel Management.

We are doing a study to determine whether or not the hotel's use of the World Wide Web Site is getting sales directly from your site.

We sent questionnaire directly to 200 hotels and recently we've got only 6 responses. That's why we are doing this.

Could I get information on the phone now or should I call you later or could I fax you my survey's form? (ask for fax number)

Thank you very much, I appreciate your help.

**Begin asking questions**